

Motion in Full

ATTACHMENT A

The City Council and Redevelopment Agency direct the City Attorney's office to work with Redevelopment staff to amend the Operating Agreements, bylaws, and Articles of Incorporation for both CCDC and SEDC to incorporate the following:

- * 1. Designate the Mayor as the appointing authority of each corporation's CEO, subject to City Council confirmation which must be supported by a two-thirds vote. The Mayor shall have the authority to suspend and terminate the CEO, subject to a right of appeal to the City Council which must be supported with a two-thirds vote. During the appeal process, the Mayor may appoint an interim CEO. Include the creation of candidate selection committees for each CEO search to be comprised of 1 Mayoral representative, 1 member of the City Council, and 1 board member of the Corporation. The selection committee shall screen potential candidates and provide the Mayor with not less than 3 candidates to select from. The Mayor may select one of the forwarded candidates, or may reject the applicants and require a new recruitment process.
- * 2. Expand the corporation Boards of Directors to include a voting member appointed as a Mayoral appointee.
- 3. Corporation boards shall adopt purchasing and contracting policies that establish limits for staff level approval of contracts and provide for timely public disclosure of such executed contracts.
- 4. City has the right to inspect all documents and records, including but not limited to, financial records and personnel records, at a reasonable time to be established but no later than 10 days after written request by the City.
- 5. City has right to order a performance audit, to be paid for in full by corporation, no more than once per year.
- 6. Corporations shall perform annual financial audits and submit them to the City.
- 7. Corporations must follow City administrative budget policies in any administrative budget submissions. Any submission must first be submitted to the City CFO for review prior to submission to Redevelopment Agency.
- * 8. Mayor has right to suspend and recommend removal by the City Council of any corporation board members, based upon any breach of operating agreement.
- 9. Require the development of policies/procedures for personnel, finance, budget, expenditure allowances, purchasing, ethics, recordkeeping; and adherence to them. If no policy, City policy will apply. Require systematic review and

update to remain current with best practices. Require Board to approve all such policies. Those impacting the Agency's authority shall be approved by the Agency upon recommendation by the Board. Any violation of City policies constitutes breach of the Operating Agreements.

10. Corporation Board member training in ethics, fiduciary duties and governance shall occur every 2 years with submission to City CFO of training certificate.
11. Corporation Board must approve all internal contracts and fiscal policies before submission to City CFO for approval.
12. Any line item transfers of budgeted funds must be approved by corporation board on a monthly basis.
- * 13. Corporation board must approve total compensation to senior officers annually, including salary, benefits, and performance pay.
14. Corporation board must develop and approve a Personnel Manual that is updated annually.
15. Corporation board is required to review financial statements and verify with certification by board, CFO, and CEO.
16. Corporation board is to review and approve monthly financial statements, presented by the Corporation CFO, comparing actual to budget with any variance fully disclosed and explained. These statements are to be submitted to the City CFO.
17. Corporation Boards of Directors must follow redevelopment law.

The City Council and Redevelopment Agency direct SEDC to:

18. Immediately initiate and complete changes to SEDC-controlled policies and procedures recommended by the Macias Consulting Performance Audit.
19. Implement the recommendations included in the Macias Consulting Performance Audit of SEDC, except the recommendation that the CFO report to the corporation board directly.

Additional recommendations:

20. Recommend SEDC bylaws be changed to require 2-3 SEDC Board members to have specific expertise e.g. Finance, Real Estate, Law.

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21. Require Corporation to provide certain key documents and information to the public via their website including Board agendas and related backup reports and documents; current adopted budget; annual financial reports, Corporation bylaws and policies.
 22. Require SEDC to create an Audit Committee.
 23. Require Corporation board to follow closed session policies that are identical to the City Council's closed session policies.
 24. Require Corporation to develop a five-year strategic plan that reflects the needs of the community as determined through extensive community outreach and lines up with the vision of the City. The strategic plan should be approved by the Council and reviewed by LU&H on an annual basis.
 25. Amend San Diego Municipal Code to prohibit the Comptroller from expending any tax payer funds for either agency when the boards of that agency has less than two-thirds valid current appointments.